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From: Tuchband, Matthew
Sent: Tuesday, September 25, 2012 3:10 PM
To: Thomas, Jonathan; Wood, Dennis
Cc: Yovanoff, Laura; Manfull, Alexandre; Chessick, Peter; Hand, Tyler; Hershfang, Jennifer; Kirby, Jimmy; Hardaway, Lamine

Subject: RE: Significant HSBC issue that we need to resolve immediately
Importance: High

*This is all news to me, so I will need to check in with folks here about your suggestion that OFAC has a past practice of not having an administrative record that contains information on a transactions-by-transaction basis supporting a penalty amount calculated and agreed to in settlement. I can't say that, as legal counsel. I would be comfortable with such a practice. **It also would suggest that our recent agreement to engage in sampling in certain narrow circumstances was OBE'd before it was created.** I'll definitely look into this.*

For now, however, I have to say that I am not comfortable with the USEIC amount being based on any transactions for which we do not have adequate information on a transaction-by-transaction basis in our administrative record (even if our sampling process precludes us from viewing every single transaction).

EXHIBIT full email chain attached: see Appendix 27, Email Regarding "HSBC Legally Privileged" September 24-25, 2012 as part of the report prepared for Hon. Jeb Hensarling, Chairman, 114th Congress, Second Session. July 11, 2016

The report focuses on the controversy of the US DOJ and OFAC settlements with HSBC and Standard Chartered Bank and the behavior and practices of the US agencies in dealing with banks that violation US Iran Sanctions laws.

5. . From: Tuchband, Matthew
Sent: Monday, September 24, 2012 11:48 PM
To: Wood, Dennis; Thomas, Jonathan
Cc: Yovanoff, Laura; Manfull, Alexandre; Chessick, Peter; Hand, Tyler; Hershfang, Jennifer; Kirby, Jimmy; Hardaway, Lamine
Subject: Significant HSBC issue that we need to resolve immediately
Importance: High

Dennis and Jonathan,

I wanted to follow up on an issue that Jen flagged in the attached email and that my office discussed with your team today reiterated to the lack of transactional information regarding a significant number of the alleged Burma and other country violations in the HSBC matter (specifically, the transactions reflected in the tab titled "Payments - non-disclosed ctry").

This issue presents an immediate risk to at least a quarter, if not more, of the total apparent violations contained in this matter, so it is one I think we need to resolve immediately. If we can't resolve it, given the significant effect this issue will have on this matter, I think we should bring it to Adam as soon as possible so that he is aware of it.

As you know, we recently agreed to a practice in cases involving large numbers of transactions where we are comfortable relying on a combination of (1) a letter from counsel to the alleged violator explaining the review process and making certain representations supporting a reasonable determination that the transactions involve violations of OFAC sanctions programs, and (2) reviewing the detailed transaction data for a representative sample of the transactions.

While counsel in this case (Sullivan & Cromwell) has provided the letter, we are not able to review a sample of a very large number of the alleged violations (in the Burma context, I believe approximately 700 out of about 1,100 transactions) because S&C has provided only very limited information (in the "Payments - non-